United Nations E/CN.3/2005/18

Economic and Social Council

Distr.: General
15 December 2004

Original: English

Statistical Commission
Thirty-sixth session
1-4 March 2005
Item 7 (a) of the provisional agenda*
Activities not classified by field: statistical capacity-building

Report of the Partnership in Statistics for Development in the Twenty-first Century on statistical capacity-building

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission a report prepared by the Partnership in Statistics for Development in the Twenty-first Century (PARIS 21) in accordance with a request by the Statistical Commission at its thirty-fifth session.[a] The report outlines how national strategies for the development of statistics provide a country with a strategy for strengthening statistical capacity across the entire national statistical system. The report also describes how strategies fit with other existing statistical development initiatives and what PARIS 21 brings to strategies process. The Commission may wish to comment on the approach and documentation of the national strategies.

* E/CN.3/2005/1.
[a] *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

04-65338 (E) 310105

Report of the Partnership in Statistics for Development in the Twenty-first Century on statistical capacity-building

Contents

		Paragraphs	Page
I.	Introduction	1	3
II.	The need for national statistical development strategies	2–5	3
III.	Design phases of the national strategies	6–12	4
	Phase I. Launching the process (design road map)	7–8	4
	Phase II. Assessment of the current status of the national statistical system	9	5
	Phase III. Developing the vision and identifying strategic options	10	5
	Phase IV. Preparing the implementation plan	11	5
	Phase V. Implementation, monitoring and evaluation	12	5
IV.	How the national strategies fit with other existing initiatives	13–15	6
V.	Value added of the national strategies	16–19	7
VI.	PARIS 21 role in the national strategies process	20–27	8
VII.	Points for discussion	28	9
Annex			
	Key principles of a national strategy for the development of statistics		10

I. Introduction

1. With the increasing emphasis on managing for development results, national policy makers and the international development community have become increasingly aware of the importance of statistics in informing and designing development interventions. The Second International Round Table on Managing for Development Results called on countries to implement strategic planning activities for the development of their statistical systems. A national strategy for the development of statistics provides a framework for strengthening statistical capacity across the entire national statistical system mainstreamed into national development policy processes. National strategies constitute a comprehensive and unified framework for the continual assessment of evolving user needs and priorities for statistics and for building the capacity needed to meet these needs in a more coordinated, synergistic and efficient manner. The national strategies approach has been developed from existing instruments for statistical assessment and improvement (such as the International Monetary Fund (IMF) General Data Dissemination Strategy (GDDS) and Data Quality Assessment Framework (DQAF)), incorporates lessons learned from the development of poverty reduction strategies, and follows best practice in organizational development and management. The Partnership in Statistics for Development in the Twenty-first Century (PARIS 21) is assisting countries in the development of their national strategies by drafting supporting documentation, organizing regional workshops to discuss issues and share experience and helping countries secure appropriate funding for the design and implementation of their strategies.

II. The need for national statistical development strategies

2. There is increasing international consensus that development in many countries, especially the poorest, has faltered in the past because development efforts did not focus on results. Most recently, the Second International Round Table on Managing for Development Results, held in Marrakech, Morocco, in February 2004, stressed this point, acknowledging that managing for results involves focusing on the desired outcomes and impacts (for example on poverty reduction) and then identifying what inputs and actions are needed to get there. It also involves establishing baselines and identifying upfront performance targets and indicators for assessing progress during implementation and on programme completion.[1]

3. With this focus on results-based management, national policy makers and the international development community have become increasingly aware that good statistics are part of the enabling environment for development. Statistics measure inputs, outputs, outcomes and impact, providing reliable assessments of key economic and social indicators, covering all aspects of development from measures of economic output and price inflation to the well-being of individuals. Strengthening statistical capacity is therefore essential to support the design, monitoring, and evaluation of national development plans, including poverty reduction strategies, sector strategies, and the Millennium Development Goals.

4. In recognition of the development community's reliance on good, timely statistics to manage for results, the Round Table adopted the Marrakech Action Plan for Statistics, which encouraged countries to design and implement national

strategies for the development of statistics to improve the evidence base by providing a strategic framework for developing relevant poverty-focused statistics.

5. A national strategy provides a country with a strategy for strengthening statistical capacity across the entire national statistical system, a vision for where the system should be in five to 10 years, and will set milestones for getting there. It will provide a robust framework and action plan for building the statistical capacity to meet both current and future data needs. In particular, the aim is to align statistical development with wider poverty-focused national development programmes and strategies. In many countries, the processes of preparing poverty reduction strategies and managing for results provide an important opportunity not only to identify data needs but also to highlight the priority areas where investment and improvements are needed. The poverty reduction strategy approach provides valuable insight into how these strategies should be prepared and implemented. The national strategy for statistical development will provide a framework for mobilizing, harnessing and leveraging resources (both national and international) and a basis for effective and results-oriented strategic management of the national statistical system.

III. Design phases of the national strategies

6. The preparation of a good strategy requires a carefully managed process, involving a number of key components and providing for regular analysis and review. It will depend, crucially, on what is already in place and what existing mechanisms and processes the strategy can be built on. How long each of these components or phases last will depend on a number of factors, including the urgency with which the strategy is needed, the efficiency of the decision-making processes of the Government and the complexity of the national statistical system. The regular work programmes and existing improvement programmes of the agencies concerned should be continued while the strategy is being prepared and prior to full implementation. It would be unacceptable to halt production of statistical products and services while a national strategy for statistical development is being developed since that might well adversely affect many stakeholders and is unlikely to result in their continued support. In thinking about what needs to be done to prepare a national strategy in most countries, the five phases are recommended, as described below.

Phase I. Launching the process (design road map)

7. The key outcomes of this critical phase will be a decision and a plan to develop a national strategy. How this is done will depend on the national situation, but many countries have found it useful to have this decision made formally, for example, through a decision of cabinet or by the minister with responsibility for statistics. Some of the processes that can be useful in getting this decision agreed include:

- Successful advocacy, sensitization and dialogue with politicians, policy makers, and decision makers, for example through participation in a PARIS 21 regional workshop

- Participation by the managers of the national statistical system in national policy discussions, such as the preparation or monitoring of the poverty reduction strategy; and/or in the IMF/GDDS.

8. Once the decision has been made, the agencies leading the preparation of the national strategy will usually prepare a programme or road map that will set out what needs to be done, by whom and when, and how the design of the strategy will be financed.

Phase II. Assessment of the current status of the national statistical system

9. Building on existing processes, a range of assessments will be needed, including the following:

- Collecting and analysing existing documentation
- Identifying user satisfaction, current and future needs for statistics, and existing data gaps
- Assessing each key statistical output against agreed quality criteria
- Assessing methodologies and the quality of statistics
- Taking stock of existing capacity (for example, infrastructural, technical and resources) to meet the identified data needs and fill data gaps
- Reviewing the legal and institutional framework, linkages, and coordination arrangements
- Assessing organizational factors, including management and human resources

Phase III. Developing the vision and identifying strategic options

10. These activities build on the assessments, including:

- Agreeing mission and vision statements
- Agreeing on desired results
- Setting priorities and strategies, employing scenarios to deliver the vision and results

Phase IV. Preparing the implementation plan

11. It is important to point out that "right strategies" are not all that is needed to make a national statistical system effective. The strategies have to be properly and effectively implemented through a costed and time-bound action plan, including a financial plan incorporating proposals for external assistance.

Phase V. Implementation, monitoring and evaluation

12. The most important consideration is to see strategic management as a continuous process and the preparation of the initial document represents as only the

beginning. To be effective, statistical systems must remain flexible and respond to new demands for data and a changing environment. Any medium-term plan, therefore, will inevitably require modification in the light of experience. The strategic management process, therefore, needs to build in mechanisms to monitor and evaluate progress, review the strategy and make modifications when required.

IV. How the national strategies fit with other existing initiatives

13. Recognition of the need for strategic approaches is not new. A number of earlier initiatives have aimed at addressing these needs and have contributed to the development of the approach, including the Addis Ababa Plan of Action for Statistics in the 1990s (prepared by the Economic Commission for Africa), which was based around demand-driven, user-focused national statistical development plans. An effective national strategy for the development of statistics will take account of, and build upon, all existing work and initiatives in each country. For instance, many countries have already started to improve their statistical systems as an essential component of their poverty reduction strategies and to monitor the Millennium Development Goals. National strategies for the development of statistics may take many forms, depending on the stage of development of each statistical system and their needs and perspectives.

14. Important international frameworks and assessment tools to support the preparation of a national strategy include:

- The IMF/GDDS, in which a large number of countries already participate, builds on the main elements of the United Nations Fundamental Principles of Official Statistics, around the four key aspects of (a) data relevance, coverage, timeliness and periodicity, (b) quality, (c) integrity of the data production process and (d) access to the data by the public. It covers a set of data that is recognized to be essential for all countries and addresses issues that are critical for compiling and disseminating data, including explicit plans for improvement to align national procedures with best practices.
- The multi-annual integrated statistical programme framework, developed by the Statistical Office of the European Communities (Eurostat), is used in many countries of Eastern Europe and Central Asia as a multi-year planning mechanism to prioritize the use of national resources and international assistance.
- IMF/DQAF, which builds on the GDDS, provides an integrated and flexible framework for assessing the quality of data used for macroeconomic and social policy.
- The PARIS 21 statistical capacity-building indicators, based on DQAF, provide a means for countries to identify the strengths and weaknesses of their national statistical systems and to monitor their progress in building statistical capacity.

15. All of these approaches have strategic planning as their basis, and countries should aim to make use of whatever expertise and experience they already have. Existing GDDS subscribers, for example, will be able to make use of the GDDS assessment framework to provide the foundation for a national strategy for statistics, including a basis for setting priorities for improving statistics under conditions of

tight resource constraints and to indicate where external technical and financial assistance will be needed. Participation by countries in GDDS provides a good signal to data users and development partners that the country is serious about statistics and is already taking action to address shortcomings. Countries that work closely with Eurostat or are aiming to invest in their statistical capacity through a credit or loan from the World Bank under their STATCAP programme will be able to use a national strategy for the development of statistics as the basis for developing an investment plan or a cooperation programme. In particular, the national strategy includes a statistical master plan, which is a prerequisite for a country to apply for the STATCAP programme.

V. Value added of the national strategies

16. As mentioned above, the national strategies approach has been developed from existing instruments for statistical assessment and improvement (such as GDDS and DQAF), incorporates lessons learned from the development of poverty reduction strategies and follows best practice in organizational development and management. The value added of a national strategy is in merging best practice from these three sources in pursuit of better development outcomes: looking at statistical capacity-building through a development and management lens, and looking at development policy and optimal management practices through a statistical lens.

17. National strategies for the development of statistics should do for statistical planning and strategic management what poverty reduction strategies have done for the former five-year national development plans. The poverty reduction strategies approach involves a fundamental change in the relationships between stakeholders: through consultation, participation, ownership, leadership etc. In the same way, a good national strategy for the development of statistics will provide a nationally owned and led, holistic strategic development plan for statistics, which is mainstreamed as a statistics component and provides perspective for the design, management, monitoring and evaluation of national policy frameworks, such as poverty reduction strategies.

18. Just as the national strategy for the development of statistics is a coherence framework for the coordination of all statistical activities within a country, it also provides a coherence framework for international and bilateral assistance for statistics, and serves to avoid parallel systems for monitoring and evaluation needs generally of donor programmes. In the light of this integrating feature of the national strategy, the PARIS 21 Steering Committee, comprising representatives of developing and transition countries from each region of the world as well as bilateral and multilateral donors, has placed a strong emphasis on the need to involve all development partners in the national strategies process and to incorporate support for the national strategies into development aid programmes.

19. National strategies add value to existing processes through:

- Advocacy, building political support and leadership
- Broad participation, consultation, and communication
- Assessing and developing improvement plans for the "softer" organizational and management aspects, essential for sustainability of statistical capacity-building, including the institutional status of national statistical agencies

- Taking an holistic/integrated approach to assessing user needs and priorities (including for development policy)
- Changing management processes and sub-strategies, including for human resource and organizational development
- Costing, including cost-effectiveness, and addressing funding needs

VI. PARIS 21 role in the national strategies process

20. In line with the call of the Marrakech Roun1 Table for national strategies for statistical development, PARIS 21 has set a goal for itself to encourage all developing countries to design a national strategy by 2006 in order to have nationally owned and produced data for all relevant Millennium Development Goals indicators by 2010. PARIS 21 will give priority to low-income countries, including International Development Association (IDA) countries. PARIS 21 will ensure that the design of national strategies addresses and supports short-term and fast-track initiatives, and aims to satisfy the immediate requirements of countries' poverty reduction strategy papers as well as Millennium Development Goals and IDA monitoring.

21. To support countries in the development of their national strategies, PARIS 21 has drafted materials that provide guidance in taking the process forward. Four distinct sets of documentation have been prepared, on the national strategies essential elements (a summary of key principles is contained in the annex); a national strategies advocacy document (entitled "Making the case") aimed at convincing developing country policy makers and donor country development practitioners of the need for a national strategy; practical yet non-prescriptive guides to designing and implementing a national strategy aimed at assisting the managers of statistical systems; and a national strategy knowledge base that assembles practical advice, case studies and country experiences [2] The essential elements and advocacy documents and the design guide have been finalized by a group of partners as the 2004 version. Developing these documents will be an ongoing process, and versions for 2005 and beyond — incorporating improvements and modifications from a wider circle of partners — are planned. PARIS 21 would like to encourage all those interested in improving the efficiency and effectiveness of official statistics to contribute to the process of developing these materials, especially by sharing experience of what works and what does not. Current versions of the materials are available on the PARIS 21 web site at http://www.PARIS 21.org.

22. PARIS 21 is rolling out implementation of the national strategies approach through its regional workshops. A series of workshops for each region is planned, timed at critical stages of the national strategies process. Typically, the first workshop is intended as a national strategies launching event, at which countries prepare a draft road map for taking forward the national strategies design process. Subsequent events address issues specific to national strategies design and are intended to assist countries in moving: (a) "From diagnosis to strategies", (b) "From strategies to action plans" and (c) "Towards national strategies implementation". These events also provide the opportunity for developing country and donor institution partners to fine-tune and supplement the messages and content of the national strategies documentation for subsequent versions.

23. PARIS 21 and the World Bank Trust Fund for Statistical Capacity-Building have been repositioned to assist countries in the design of national strategies, including securing grant funding. PARIS 21 and the World Bank are working closely not only to assist countries in the design of national strategies but also to channel them towards funding mechanisms.

24. To be effective, both the documentation review and roll-out need to be based on documents that have been translated. PARIS 21 is translating texts into Arabic, French, Portuguese and Spanish. Other languages may also be considered, depending on demand. These versions will be adapted to be fully relevant and easily understood by non-English speakers and to be relevant to different regional circumstances.

25. Throughout 2005 and 2006, the emphasis will change from supporting the design of national strategies to supporting strategy implementation, including producing the implementation guide and building the knowledge base with case-study materials on implementing change processes. Development of the knowledge base will focus initially on collating "how to" notes to inform the design of national strategies.

26. To address the shortage of experts available to assist countries in the design of their national strategies, PARIS 21 — in collaboration with the World Bank and other partners — is helping to develop expertise in strategic planning. PARIS 21 proposes in its regional programmes to brief potential consultants on national strategies issues. The PARIS 21 consultant roster, currently being developed on its web site, is designed to assist countries in finding the right people. In addition, the PARIS 21 task team on training for official statisticians will develop materials on this topic.

27. Information on country statistical development focusing on national strategies will be gathered and made publicly available. This reporting exercise will be useful to both national strategies design teams and donor partners.

VII. Points for discussion

28. **The Statistical Commission may wish to:**

(a) **Comment on the national strategies approach outlined above.**

(b) **Comment on the national strategies documentation (see sect. VI).**

Notes

[1] See Second International Round Table on Managing for Development Results, on the theme "Promoting a harmonized approach to managing for development results: core principles", February 2004.

[2] The national strategies advocacy paper and design guide will be made available to the Commission as background documents.

Annex

Key principles of a national strategy for the development of statistics

1. A national strategy for the development of statistics should:

- Be nationally led and owned, with high-level political support and champions.
- Be demand-focused and integrated within national development policy processes.
- Be developed in an inclusive and consultative way.
- Assess all statistical sectors and user needs and provide a vision and strategic plan for national statistics.
- Set out an integrated statistical development programme to build capacity to deliver results that is prioritized and timetabled, incorporating plans for implementation, monitoring and evaluation, but is also flexible enough to cope with change.
- Address institutional and organizational constraints and processes, including resources, for the sustainable development of statistical systems and outputs.
- Build quality "fit for purpose", drawing on best international practice and standards.
- Build on what exists and is being developed and continue to satisfy immediate needs for statistics during the national strategies process.
- Respond to user needs but be realistic about resources.
- Serve as a coherent framework for international support for statistical development.